

## KENTUCKY REAL ESTATE APPRAISERS BOARD

### TYPE OF MEETING

Regular Meeting

### DATE AND LOCATION

March 26, 2010 – 9:00 a.m. – 135 W. Irvine Street, Suite 301, Richmond, KY

### PRESIDING OFFICER

Dorsey Hall, Chair

### ROLL CALL

#### Present:

Dorsey Hall, Chair  
Sam E. Blackburn, Vice Chair  
G. Herbert Pritchett, Board Member  
Harold Brantley, Board Member

#### Present Also:

Larry Disney, Executive Director  
Angie Thomas, Staff Assistant  
James Grawe, Board Counsel  
Dennis Badger, Investigator

#### Absent:

Loren Huff, Board Member

Chair, Dorsey Hall opened the meeting and welcomed the guest. The guests in attendance were Mike Cullen, Marvin Dever, Tom Veit and Derrick Owens.

Motion by Harold Brantley, second by Herbert Pritchett and the Board unanimously approved the February 18, 2010 minutes.

## EDUCATION

Motion by Sam Blackburn, second by Herbert Pritchett and the Board unanimously agreed to approve the following education courses for fiscal year 2009-10:

- (1) Realtyplex, LLC – One classroom CE course:
  - (a) 2010-2011 National USPAP Update Course – 7 hours
- (2) Dynasty School – Four Distance Education QE courses and three distance Education CE courses:
  - (a) Online Residential Site Valuation and Cost Approach – 15 Hours QE
  - (b) Online Residential Marketability & Highest and Best Use – 15 hours QE
  - (c) Online Report Writing – 15 hours QE
  - (d) Online Residential Sales Comparison & Income Approach – 30 hours QE  
(this course does comply with the requirement for Kentucky appraiser applicants to complete 15 hours of Basic Income Property Appraising)
  - (e) 2010-2011 Online National USPAP Update Course – 7 hours CE
  - (f) Online Mortgage Fraud – A Dangerous Business – 7 hours CE
  - (g) Online FHA & VA Appraisal Basic – 7 hours CE
- (3) Redd, Brown & Williams Educational Services – One classroom CE course:
  - (a) 2010-2011 National USPAP Update Course – 7 hours CE
- (4) McKissock, LLP – One distance education QE course and one distance education CE course:
  - (a) Online National USPAP Equivalency Course – 15 hours QE
  - (b) Online Appraising Apartments – The Basics – 7 hours CE
- (5) Appraisal Institute – One classroom QE course and two classroom CE courses:
  - (a) Appraisal Opportunity – Lending World in Crisis – 7 hours CE
  - (b) Analyzing the Effects on Environmental Contamination on Real Property – 7 hours CE
  - (c) Advanced Income Capitalizations (Revised) – 33 QE and CE hours
- (6) Mortgage Guaranty Insurance Corp – One classroom CE course:
  - (a) Appraisal Review – What Underwriters Want – 2 hours CE

## EXPERIENCE

Motion by Sam Blackburn, second by Harold Brantley and the Board unanimously agreed to accept staff recommendation and approved the following experience:

- (1) John Hallmark – Approve experience for Certified Residential

## CERTIFICATION/LICENSURE

Motion by Herbert Pritchett, second by Harold Brantley and the Board voted to approve a total of five (5) individuals for certification/licensure.

- (1) Adam J. Cloern – Associate
- (2) Jan-Michael Doerr – Certified Residential – Reciprocal with Ohio
- (3) John Hallmark – Certified Residential
- (4) Kelly L. Hargis – Certified Residential – Reciprocal with Indiana
- (5) Michael D. Harness - Associate

## COMPLAINT

- A. Case Summary Flow Chart – Larry reported to the Board that all cases should be investigated by June 30, 2010. Herbert Pritchett mentioned some older cases and the Board were advised that the older cases will be investigated and submitted to the Board by the April Board meeting. Herbert Pritchett commended the investigators on the cases being brought up to date. It was discussed that cases should be finalized as soon as possible.
- B. Dennis Badger – Report on the contractor activities. Dennis presented a complaint form that FBI is requesting states to voluntarily transmit on cases settled by the Board. Jim Grawe stated that if the request was made by open records, the Board has the responsibility to give information on all adjudicated cases. The Board discussed the possibility of submitting the information to the FBI and agreed to table to discussion until the April 2010 Board meeting.
- C. The Board was advised there have been a total of 10 cases filed for 2010.
- D. Case No. 09-42 – Motion by Sam Blackburn, second by Harold Brantley and the Board unanimously agreed to file a formal complaint and set the case for a hearing.
- E. Case No. 09-37 - Motion by Harold Brantley, second by Herbert Pritchett and the Board unanimously agreed to dismiss the case with a letter of caution.
- F. Case No. 08-91 - Motion by Sam Blackburn, second by Harold Brantley and the Board unanimously agreed to dismiss the case with a letter of caution.
- G. Case No. 09-44 - Motion by Sam Blackburn, second by Herbert Pritchett and the Board unanimously agreed to dismiss the case.
- H. Case No. 09-53 - Motion by Herbert Pritchett, second by Sam Blackburn and the Board unanimously agreed to file a formal complaint and set the case for a hearing.

- I. Case No. 09-54 - Motion by Herbert Pritchett, second by Harold Brantley and the Board unanimously agreed to dismiss with a letter of caution.
- J. Case No. 09-04 – Motion by Herbert Pritchett, second by Sam Blackburn and the Board unanimously agreed to issue a Letter of Admonishment.
- K. Case No. 09-13 – Motion by Sam Blackburn, second by Herbert Pritchett and the Board unanimously agreed to dismiss the case.
- L. Case No. 09-55 – Motion by Sam Blackburn, second by Harold Brantley and the Board unanimously agreed to file a formal complaint and set for a hearing.
- M. Case No. 09-41 – David Bicker – Motion by Herbert Pritchett, second by Sam Blackburn and the Board unanimously accepted the agreed order whereby:
  - 1. Bicker agrees to accept an Admonishment for failure to submit a response to the grievant in this action.
- N. Case No. 09-16 – Brian T. Deeley - Motion by Sam Blackburn, second by Harold Brantley and the Board unanimously accepted the agreed order whereby:
  - 1. Deeley shall complete a 3 hour ANSI course and a classroom or distance education 7 hour Reporting Writing or a Fannie Mae Forms course. Said 10 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by July 1, 2010.
  - 2. Deeley shall be fined the sum of \$500.00 with total amount due with the signed agreed order.
  - 3. Deeley agrees that the Board shall not renew his certification for the 2010 renewal cycle July 1, 2010 until he has completed the requirements of the terms set out in paragraphs (a) and (b) of this order.
- O. Case No. 09-20 – Douglas S. McPherson - Motion by Herbert Pritchett, second by Sam Blackburn and the Board unanimously accepted the agreed order whereby:
  - 1. McPherson shall complete a 7 hour Reporting Writing course. Said 7 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by June 30, 2010.
  - 2. McPherson agrees the Board shall review his files for a period of 2 years from the date of the agreed order.
  - 3. McPherson agrees that the Board shall not renew his certification for the 2010 renewal cycle July 1, 2010 until he has completed the requirements of the terms set out in paragraph (a) and (b) of this order.

- P. Case No. 09-01 – William D. Bramble – Motion by Sam Blackburn, second by Harold Brantley and the Board unanimously accepted the agreed order with amendment of requirements due by June 30, 2011.
1. Bramble shall be fined the sum of \$2,000.00 with total amount paid prior to June 30, 2011. The appraiser can pay the amount with installments as he deems necessary.
  2. Bramble agrees to have no more than two (2) associates for two years from the date of the agreed order.
  3. Bramble agrees that the Board shall not renew his certification for the 2011 renewal cycle July 1, 2011 until he has completed the requirements of the terms set out in paragraphs (a) and (b) of this order.
- Q. Case No. 09-16 – Scott Kremer – Motion by Sam Blackburn, second by Harold Brantley and the Board unanimously accepted the agreed order whereby:
1. Kremer shall complete a 3 hour ANSI course and a classroom or distance education 7 hour Reporting Writing or a Fannie Mae Forms course. Said 10 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by July 1, 2010.
  2. Kremer shall be fined the sum of \$500.00 with total amount due with the signed agreed order.
  3. Kremer agrees that the Board shall not renew his certification for the 2010 renewal cycle July 1, 2010 until he has completed the requirements of the terms set out in paragraphs (a) and (b) of this order.
- R. Mark Mitchell – The order was issued by a quorum of the Board and after deliberation was entered by the Board as final.
1. Mitchell Certified General certificate is Admonished.
  2. Within 30 days from the date of this final order is issued the respondent shall pay to the Board a fine in the amount of \$2,000.00.

## MISCELLANEOUS

- A. Budget ending February 2010
- B. Personal Service Contract 2010-2011 – Beginning of the process for request bids
  - (1) EO1 Approvals
    - (a) Rent
    - (b) Investigation Contract
    - (c) Testing Contract
    - (d) Hearing Officer Contract
    - (e) Legal Service Contract
- C. Larry Disney – Reviewing of outside appraisal work for Lexington/Fayette Urban County Government – West Virginia Investigations and AQB course review – Motion

by Sam Blackburn, second by Harold Brantley and the Board unanimously approved for Larry Disney to perform outside work for the three mentioned entities.

- D. AQB letter dated March 12, 2010 – The Board approved for Larry to travel to the meeting and if AQB did not pay for the travel expense the Board will cover the cost of the travel.
- E. KREAB Seminar Evaluations – Larry Disney
- F. KREAB Seminar Evaluations – Virginia Lawson
- G. Comments to ASB on First Exposure Draft
- H. Letter from Wyoming Real Estate Appraiser Board concerning reciprocal agreement
- I. Letter from Oregon Appraiser Certification Board concerning reciprocal agreement
- J. The Board agreed that if an individual is in good standing with their home state, the Board will accept the Certified credential held by that individual.
- K. Appraisal Subcommittee letter to State Boards dated November 17, 2004 and 201 KAR 30:050.
- L. Senate Bill 66 Update – Larry Disney and Marvin Dever reported on the status of the Senate Bill.
- M. Teaching Board seminars USPAP and Appraiser Liability – Larry Disney stated that staff will monitor the need to offer the course and if needed the Board will offer the course in June.
- N. Review how experience is awarded and earned – Larry Disney commented on the requirement of ASC and how experience is awarded. The Board requested to have an ASC interpretation on the experience requirement.
- O. Board Member Training – The Board agreed to have a Board Member Training session in August or September.
- P. Michael Cullen addressed the Board on AMC's. He asked the Board to have Larry Disney write a letter to all Kentucky appraisers and make them aware of misconceptions with the appraisal community. Larry Disney will write an article concerning HVCC's and place on the KREAB website.
- Q. Dorsey Hall recommended that the Board have training for lenders, bankers & regulators concerning HVCC – AMC use.

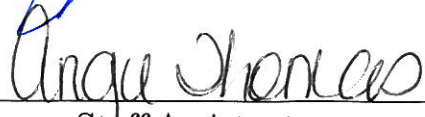
## **NEW BUSINESS**

The next Board meeting is scheduled for Friday, April 23, 2010 beginning at 9:00 at the Board office in Richmond, KY.

Motion by Sam Blackburn, second by Herbert Pritchett and the Board voted unanimously to adjourn the meeting.

A stylized, handwritten signature in blue ink, possibly reading 'R. H. H.', positioned above a horizontal line.

Chair

A handwritten signature in black ink, reading 'Angie Thomas', positioned above a horizontal line.

Staff Assistant